

DEPARTMENT OF HAWAIIAN HOME LANDS

RELEASE DATE: JANUARY 11, 2016

REQUEST FOR PROPOSALS No. RFP-016-HHL-002 **Addendum B**

SEALED OFFERS FOR CONCEPTUAL PLANS FOR DEPARTMENT OF HAWAIIAN HOME LANDS ON OAHU FOR POTENTIAL TRANSIT-ORIENTED DEVELOPMENT

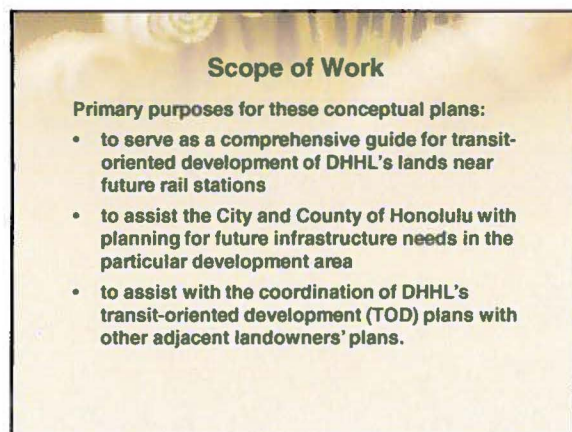
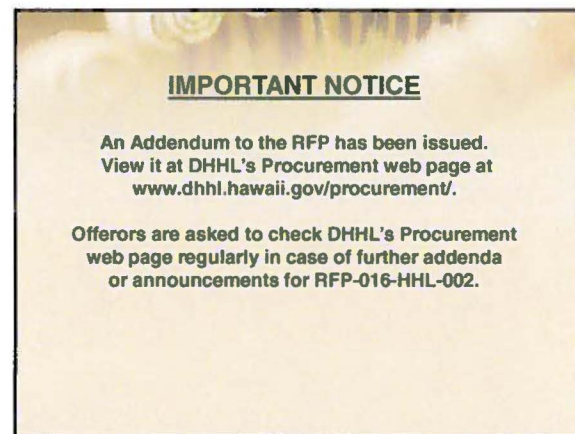
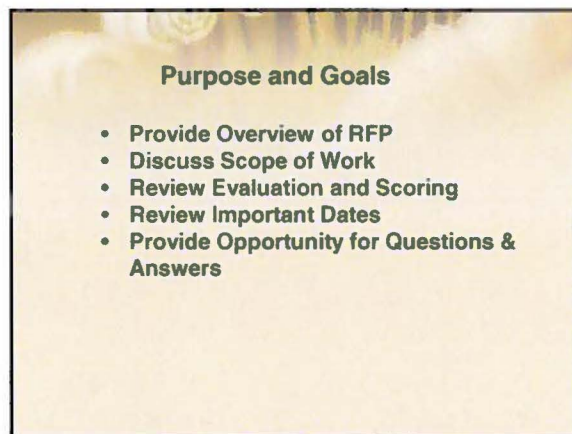
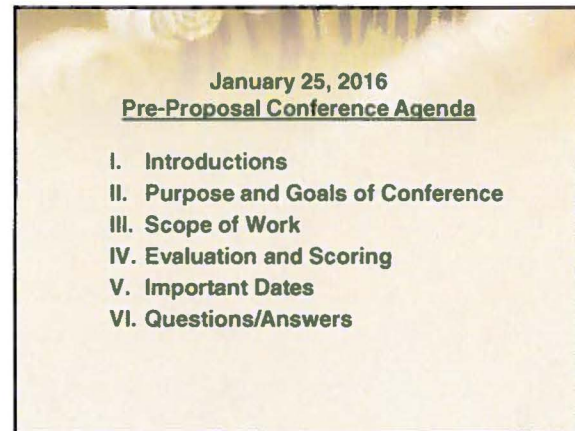
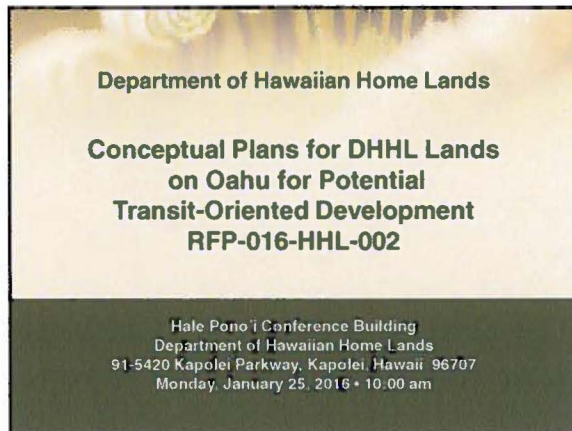
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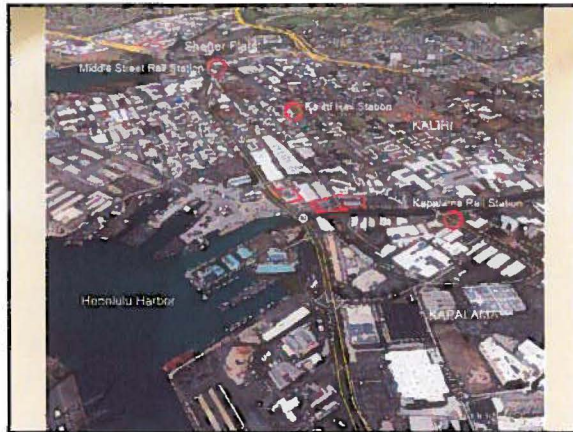
MONDAY, FEBRUARY 29, 2016

IN THE DEPARTMENT OF HAWAIIAN HOME LANDS, 91-5420 KAPOLEI PARKWAY,
KAPOLEI, HAWAII 96707. DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO
ALLEN G. YANOS, TELEPHONE (808) 620-9460, FACSIMILE (808) 620-9479 OR E-MAIL AT
ALLEN.G.YANOS@HAWAII.GOV.

ADDENDUM B FOR RFP-016-HHL-002

The PowerPoint presentation handout on the following pages was made available to the attendees and discussed during the program at the Pre-Proposal Conference held on Monday, January 25, 2016:



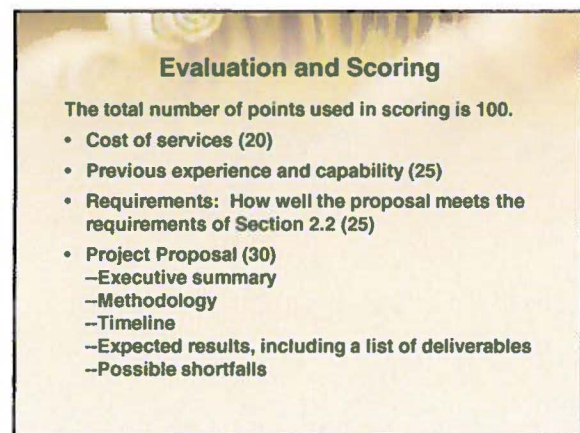
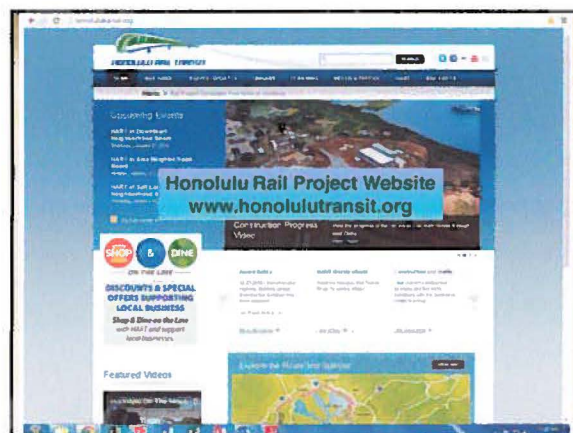
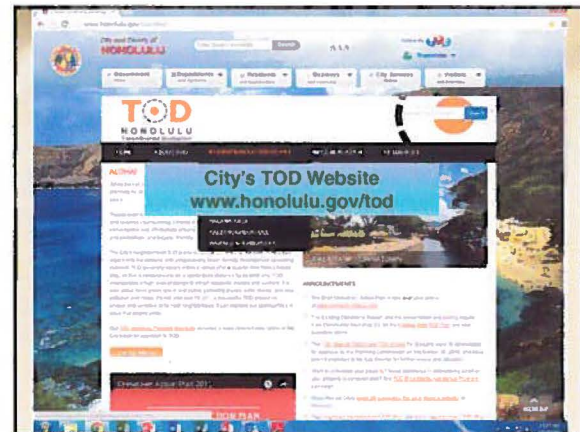
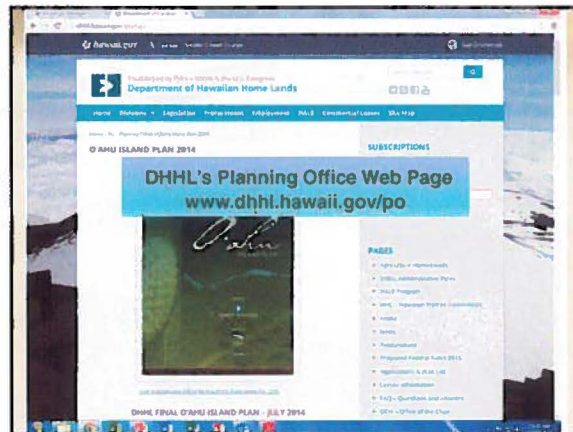
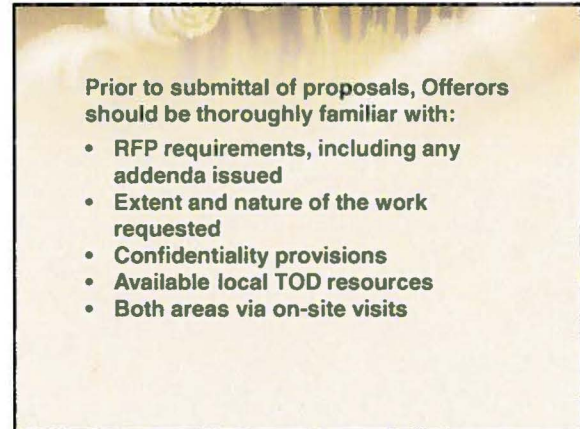


Scope of Work continued

1. Site assessment, including an evaluation of the area's suitability and constraints for the conceptual plans being proposed for each area.
2. Preliminary site development plans where up to two additional draft preliminary site development plans besides a preferred plan may be proposed.
3. Where practical and applicable, incorporate "smart growth" principles such as transit-oriented and walkable/livable communities design into the development plans.

Scope of Work continued

4. Potential financing mechanisms and incentives, including public-private partnerships, affordable housing programs, etc.
5. Summary report



Cost of Services- Example		
Offeror #1		
Position	Hourly Rate	Percentage
Principal	\$200.00	10%
Associate	\$150.00	30%
Planner	\$125.00	40%
Project Coordinator	\$135.00	20%
Total Percentage		100%

TOTAL COST OF SERVICES (based on the hourly rates above): \$137,500.00

Cost of Services continued	
TOTAL COST OF SERVICES	Offeror #1: \$137,500
TOTAL COST OF SERVICES	Offeror #2: \$200,510
TOTAL COST OF SERVICES	Offeror #3: \$159,510
FORMULA: [Lowest Cost Proposal x Maximum Points] divided by Offeror's Proposal Cost = Scoring Points. -- Pursuant to Section 3-122-52(d), Hawaii Administrative Rules	

Cost of Services continued	
FORMULA: [Lowest Cost Proposal x 20 points maximum] divided by Offeror's Proposal Cost = Scoring Points	
Offeror #1: \$137,500 (Lowest Cost Proposal) Offeror #2: \$200,410 Offeror #3: \$159,000	
CALCULATION OF POINTS: Offeror #1: \$137,500 x 20 / \$137,500 = 20 Points Offeror #2: \$137,500 x 20 / \$200,410 = 13.72 Points Offeror #3: \$137,500 x 20 / \$159,000 = 17.30 Points	

Cost of Services continued	
Reminders <ul style="list-style-type: none"> • Cost of services must be an <i>all-inclusive fixed cost</i> • Shall be inclusive of all federal, state and local taxes • Shall include any and all expenses required for completion of the project 	

Important Dates	
DHHL's best <u>estimate</u> of the schedule that will be followed:	
Release of Request for Proposals	January 11, 2016
Pre-Proposal Conference	January 25, 2016
Due Date to Submit Questions	February 1, 2016
State's Response to Questions	February 10, 2016
Proposals Due Date/Time	February 29, 2016 at 2:00 pm HST
Proposal Evaluations	March 7, 2016
Discussion with Priority Listed Offerors	March 14, 2016
Best and Final Offer	March 18, 2016
Notice of Award	March 31, 2016
Contract Start Date	May 2, 2016

QUESTION & ANSWER PERIOD	
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ADDENDUM B FOR RFP-016-HHL-002

QUESTIONS AND ANSWERS

The following are responses to questions generated primarily from the attendees at the pre-proposal conference held on January 25, 2016 and from emails from interested parties:

1. Why was there a change in the RFP?

The change was due to several matters but mainly because the timeline for development of the East Kapolei parcels was on a much faster pace, relatively speaking, than the other two areas. Although there will be some mixed use/neighborhood commercial development in East Kapolei, most of the parcels will be predominantly for residential use. We'll be looking at possible alternative layouts, amenities and densities in order to achieve greater walkability and bike-ability for residents, and start creating healthier, less auto-dependent communities which is very different than the other two predominantly commercial/light industrial areas in the Shafter Flats and Kapalama areas. As of this writing, nothing has been issued yet in the way of an RFP or other solicitation for professional services specifically for the East Kapolei parcels.

2. If an architect does the conceptual plans for the TOD project that is advertised, does that preclude him from being able to compete on a developer's or contractor's team to develop/construct the project?

Since we have eliminated the requirement for a preliminary engineering assessment and ensured no specific architectural plans will be provided in Addendum A just issued on January 22nd, we believe that the architect who does the conceptual plans under this RFP will still be eligible to compete on a developer's or contractor's team to develop or construct the project. Had we not made the change and the offeror is awarded the contract and its specifications utilized, that offeror's participation in the team that later develops or constructs the project may be called into question. DHHL is in essence asking for preliminary ideas and a feasibility study through this RFP. The offeror will need to make his/her own risk assessment regarding this situation, however.

3. Is there a budget for this RFP?

Since this is our first experience with TOD planning, we have not set a budget for the work requested under this RFP at this time.

4. I understand that there is no budget but what would you estimate the range be?

We have no idea what the budget range would be. However, we don't expect it to approach the \$1 million range and would expect something more reasonable. We won't know what would make sense until we see the proposals, however.

5. Would the project areas be subject to the City's Department of Planning & Permitting (DPP) criteria and approval?

When lands are being used for homestead purposes, the Hawaiian Homes Commission retains all land use and zoning powers and DPP approval is not required. When land is being used for commercial purposes, and therefore is land not needed for homesteading, a declaration of zoning is usually submitted to the County. We have older homestead areas that were not subject to City & County development standards, and other areas that were subdivided and/or zoned prior to coming into our inventory. For this case, however, parcels were previously zoned industrial and commercial and we

would still like everyone to utilize the TOD zoning. We have been in discussions with DPP on this and they are willing to work with us on this.

6. Since you have eliminated the preliminary engineering assessment, will it be done by someone else in the future?

We think it could be done down the line but there may be information already available throughout the City & County and possibly the Honolulu Authority for Rapid Transportation due to the rail construction and TOD zoning that is going on in those areas. There has been a lot of modeling of inundation due to sea level rise and there may be other sources of information readily available. We hope that there will not be a need for a lot of new work to be done.

Some of the TOD planning doesn't go into detail online, they just say you should look at the other capacity of assessments.

No; we have just been relying on the conversations with the City & County that we have been having on drainage and wastewater issues in the Shafter Flats and Kapalama TOD areas.

7. Being a Hawaiian organization, to what extent would cultural values be incorporated into the designs to improve the area?

Applying cultural values is always important when we initiate projects. Particularly in the Kapalama area, we are looking at streetscape improvements and working toward complementing the plans of Kamehameha Schools and the City & County of Honolulu on this as well. It is desirable to have the community involved.

8. This area [Shafter Flats] is in a Special Management Area (SMA) and nothing has been mentioned about SMA yet. Is this area subject to SMA approval?

None of the parcels subject to the RFP is within the SMA boundary of the City & County (see accompanying maps – the dark/shaded areas below N. Nimitz Highway are within the SMA). However, Chapter 343, Hawaii Revised Statutes (HRS) is always triggered by use of DHHL lands and all projects on DHHL lands not exempt from preparation of an EA or EIS must be evaluated for consistency with Chapter 205A, HRS goals, objectives and guidelines.

9. You list under your project proposal portion possible shortfalls; can you elaborate what you mean?

We've added this requirement in case there are other matters we may not know that may impact your ability to prepare the conceptual plans. Shortfalls would be challenges or matters that would hinder your ability to provide what we are requesting. We wouldn't necessarily score an offeror low for sharing that information with us.

10. Can you elaborate on Environmental Assessments (EA)?

See also the response to Question 8. Since these are State lands, use of DHHL lands triggers compliance with Chapter 343, HRS. Thus, for any new construction not on our Exemption List, thus requiring an EA or EIS, we will cross that bridge when we come to it. We would need to have a chosen path or preferred alternative at that point.

11. Do you have a time frame for completion of the project once it is all approved?

No, but the sooner we have the conceptual plans, the better we can plan for the development time frame for projects in the Shafter Flats and Kapalama areas. If the question, however, is how long we would expect the time frame to be for completion of the conceptual plans, the RFP states that the term of the contract to the awardee would be twenty-four (24) months from the date specified in the Notice to Proceed. We would

negotiate the time frame for completion of those conceptual plans on the contract with the awardee.

- 12. When it comes to public involvement and participation, are there any plans for community meetings to see if they are willing to be involved in this project somehow?**

We have met with Kamehameha Schools once to discuss the Kapalama area. We would hope that someone doing this project for us would meet with the adjacent land owners and the community and have a conversation but we think this will develop later on down the line. It might just be an informational meeting. We receive a lot of questions all the time from people asking us why we are using Hawaiian home lands for commercial purposes when we should be using them all for homestead purposes. What some don't understand is that some parcels of land come with commercial properties on them already so we just continue to manage them. In addition, in order for DHHL to continue to work for the beneficiaries, we have to generate the income to do so which is where the commercial properties come into play.

- 13. May we have copies of the attendance sheet from the pre-proposal conference?**

Unfortunately, we are unable to share copies of the attendance/sign-in sheets from the pre-proposal conference with anyone else based on information received from our state procurement office. The information on these sheets has been deemed confidential at this stage. However, copies may be requested under a request for government records after the Notice of Award is posted.

- 14. Would ongoing work for the City doing feasibility analysis for properties in the TOD planning areas be perceived as a conflict of interest in any way if we are part of the team that responds to your RFP as a sub-consultant?**

Since we do not consider the City as a "competitor" in this case, we do not see a conflict of interest if you are on the team that responds to our RFP as a sub-consultant.

- 15. At the pre-conference meeting, DHHL stated involvement would be limited to adjacent landowners and leaseholders. How extensive of an outreach program are you requiring? General public information meetings not required at this time?**

We would encourage offerors to consider including some level of outreach to the DHHL beneficiary community, particularly our applicants on the waiting list, and, for example via focus groups or an informational meeting, which would be done in collaboration with the DHHL Planning Office.

- 16. At the pre-conference meeting, DHHL stated the architect on the winning team would not be excluded from future design and construction projects. Does this apply to other disciplines, including engineers and planners?**

An architect on the winning team [presumably, the architect that is on the team which is awarded the contract for the preparation of conceptual plans under RFP-016-HHL-002] would not be excluded from future design and construction projects as long as no specifications from the conceptual plans are used in the subsequent contracts for the future design and construction of projects on the areas subject to the RFP. This would also apply to other professionals, including engineers and planners.

- 17. What is the level of commitment by DHHL to the previous TOD plans and concepts? Is the intent of this project to expand on original concepts and reconcile plans to the existing conditions, current property owner goals and future development plans? Has there been any significant changes in DHHL thinking since the creation of the TOD plans?**

If “previous TOD plans and concepts” refers to the City & County of Honolulu’s TOD plans, DHHL is using those plans as a general guide. It is the intent of this RFP to have conceptual plans prepared for DHHL’s lands in the two areas to expand on the original concepts promoted by the City & County, if and when appropriate. Being that this is DHHL’s first experience with TOD, conceptual plans from offerors across the nation may provide DHHL with more options to consider for TOD in the two areas. Regardless of what is proposed, however, DHHL would likely want development consistent with the surrounding plans of adjacent landowners, designed to generate as much revenue as possible.

- 18. According to the RFP, the “conceptual plans should consider the highest and best use of these lands”. Is DHHL using “highest and best use” in an appraisal sense (which would require cost estimating and a financial assessment to evaluate the financially feasible and maximally productive use, in addition to evaluating the physical and zoning capacities of the sites), or is DHHL using the phrase in some other sense? Note that rentals or amenities for beneficiaries, which could be a preferred use of the sites, would not be considered their “highest and best use” in an appraisal sense.**

The definition of “highest and best use” when DHHL was developing the scope of the work was intended to identify the “best project” vs. “highest and best land use”. Although offerors have been asked to consider the highest and best use of the lands, it should be within the context of DHHL’s overall mission to serve its beneficiaries and manage its extensive land trust, using the income from lands not needed for homestead use to supplement DHHL’s programs, including continued homestead development. There is value, beyond the appraisal value of the land, which benefits our beneficiaries.

- 19. Should the proposed land uses be limited to leasehold uses that would not require any alienation of these properties, or is DHHL willing to consider fee simple uses of the land?**

Yes, the land uses should be limited to leasehold uses; it would be unlikely that any fee simple uses of the land in both the Shafter Flats and Kapalama areas would be considered. Typically, DHHL issues long-term leases to developers to develop/redevelop the land.

- 20. We acknowledge that the scope of work (SOW) in the RFP has been revised to remove the “preliminary engineering assessment”. Additionally, we note that “potential financing mechanisms and incentives” are still included in the SOW. We would like to note that it may be difficult to frame “potential financing mechanisms and incentives” without having a preliminary understanding of infrastructure requirements necessary to support and implement TOD projects on DHHL lands. Is it the intention of the SOW, for the consultant to address “potential financing mechanisms and incentives” in a very general way?**

We would like an assessment and evaluation of the universe of options that are out there for use by DHHL, such as the various affordable housing credits and incentives, as well as CIP financing options for infrastructure projects. Our staff is very knowledgeable in the infrastructure area but we are still building some capacity regarding affordable housing programs available nationally. We normally work very closely with our consultants to provide them with all the data and institutional knowledge that we have as we work with them on projects on DHHL lands.

- 21. Please explain the rationale for removing the preliminary engineering assessment from the project scope.**

Besides the reason stated in the response to Question 1, the time frame for TOD development is relatively long due to the fact that we have outstanding leases which do

not begin expiring for another six years in the case of the Shafter Flats parcels and in 29 years for the larger parcel in Kapalama. This period still provides us with the opportunity to pursue a preferred plan and further detailed study.

22. Please list specific studies/data to be made available regarding infrastructure conditions and capacity.

We do not have any specific studies or data regarding infrastructure conditions and capacity. We are expecting offerors to research resources available externally, primarily through the City & County and resources through its neighborhood TOD planning website.

23. Please list specific studies/data to be made available regarding flooding and sea level rise. Please explain how you envision the subject of sea level rise being addressed in the conceptual plans.

We do not have any specific studies or data regarding flooding and sea level rise. We are expecting offerors to research resources available externally and suggest ways to accommodate sea level rise through their conceptual plans.

24. In the pre-proposal conference meeting you indicated that DHHL believes an architect-engineer working on the conceptual plans will NOT be conflicted from working on later development of the parcels. Please confirm this position and explain the basis of your determination.

See the response to Questions 2 and 16.

25. Please detail expectations for public outreach.

See response to Questions 12 and 15.



KAPALAMA
AREA

